

EFFECTIVENESS OF DIGITAL MARKETING AND COMMUNICATION TOOLS USED BY INDIAN AND FOREIGN ORIGIN PHARMACEUTICAL COMPANIES IN INDIA

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ABSTRACT

In today's digital era, businesses across the globe are leveraging various digital marketing and communication tools to enhance their online presence and reach out to their target audience effectively. Digital Marketing is adopted by every industry for reaching out to their targeted audiences in a timely and efficient manner. Pharmaceutical companies are also using Digital Marketing and communication tools. This study aimed at investigating the usage of various Digital Marketing and Communication tools among Indian and Foreign origin companies. A structured questionnaire was developed to collect responses from Medical representatives. 200 MRs were randomly selected from the social group of all India MR association. Out of these 200 total 157 responses were collected from Medical Representatives of Indian and foreign origin pharmaceutical companies. Analysis showed that there is significant difference in perceived effectiveness of Digital tools used for marketing and communications among Indian and foreign companies. The perceived effectiveness of Digital Communication Tools is greater than that of Digital Marketing Tools among both Indian and International companies.

Keywords: Indian Pharmaceutical Company, Foreign Origin Pharmaceutical Company Medical Representatives, Digital Marketing, Digital Communication tools

Introduction

In today's digital era, businesses across the globe are leveraging various digital marketing and communication tools to enhance their online presence and reach out to their target audience effectively. The pharmaceutical industry is no exception to this trend, and pharmaceutical companies are increasingly adopting digital marketing and communication strategies to promote their products and services. Digital marketing is important for pharmaceutical companies in India as it allows them to increase their online presence, target specific audiences, reduce marketing costs, track campaign performance, and comply with industry regulations. In addition to this digital communication tools are effective for pharma companies as they enhance customer engagement, improve targeting, facilitate collaboration, provide real-time analytics, and ensure compliance with industry regulations. By leveraging these tools effectively, pharma companies can improve their communication strategies and achieve better results. In the Pharma industry, the target audiences for digital marketing are Health Care Providers (HCPs) and engagement is done through sales professionals known as Medical Representatives (MR). The purpose of this research paper is to analyze the digital marketing and communication tools used by pharmaceutical companies.

Objective of the study

- To identify the various digital marketing and communication tools used by pharmaceutical companies.
- To investigate if there exists any difference in effectiveness of these tools among Indian and International companies.

Hypotheses of the Study

H₁- Indian origin Pharma-companies differ in the perceived effectiveness of digital marketing and communication tools than International origin Pharma-companies

Literature Review

When all other industries were using digital marketing strategies in their marketing program pharmaceutical companies were having only websites and very few have recently adopted digital marketing. However pharma companies cannot sell prescription drugs online without prescription. This is, though, the limitation for pharma marketing in extensive use of digital marketing. Some renowned companies have started their social media marketing to respond to consumers' needs, Pfizer, Johnsons and Johnsons are to name a few. Domestic

companies are also using digital marketing for special category medicines. (Parekh, 2016 and Bharskar Siddheshwar, 2020)

Almost all pharmaceutical companies are using some or the other digital tools for marketing activities. These tools are being used for giving details of newly launched drugs, conducting webinars and giving other scientific information about the medicines. However the major challenge that these companies are posing is making such tools available at economic costs. Further, unless one calculates the output of such tools in terms of revenue, the justification for implementing such e-infrastructure is difficult for marketers. (Lad, 2017).

Pharmaceutical companies in Pakistan are using Digital Marketing. The purpose of the study was to investigate which tools are being used more frequently by doctors for getting medicine information and also to examine if these digital marketing strategies have any influence on traditional clinical practices. Doctors use WhatsApp more frequently and very few doctors attend weekly webinars conducted by pharma companies. However, despite very few doctors attending webinars, it was found to have a significant impact on how clinical practices are being carried out compared to traditional practices. Though WhatsApp is the highest used social media, its impact on clinical practices was found the least compared to other media. Pharma companies have an opportunity to increase their digital marketing activities. (Jawaid and Ahmed 2018)

Digital transformation process can be evaluated by the framework which uses six dimensions created as an output of the research study. The framework can be used by the executives to analyse their progress on digital transformation with that of other companies within the same industry or any other industry. The framework ultimately helps in identifying the lacuna in the capabilities (Gurbaxani and Dunkle, 2019).

Today's market is super tight competitive, due to advancement of technology and innovations. Even the Pharma industry which has stringent marketing regulations is not an exception. The Pharma industry is also adopting new technologies in order to capture the growing needs of the market. This is especially due to changing behaviour of the millennial generation of consumers. The Pharma industry must innovate the business processes at feasible prices to keep these customers loyal (Erlangga, 2020).

The research focused on analysing the impact of various marketing activities of pharma industries on prescribing practices of doctors. It was found that these activities have significant influence on doctors' prescription practices but the magnitude of influence per activity is significantly different. Customer relationship management was found to have the highest impact (Krunal, 2020).

Covid-19 pandemic had forced almost every industry to transform its processes digitally, so the Pharma marketing also. Covid-19 pandemic imposed restrictions on human movements and social distancing. Thus pharma companies also have to come up with advanced digital practices to reach physicians and thus to needy patients. These digital practices were very useful and proved to be advantageous for individuals and organisations as well. (Khan and Basak, 2021)

Pharmaceutical companies have revolutionised the marketing processes by using extensive digital marketing strategies especially after Covid-19 pandemic. Customers use companies' official websites services significantly. It was surprising to know that web services' usage was more than social media platforms. Most of the companies agreed that webinars were more effective and resourceful for all the stakeholders than any other activities. (Alshaya, 2020)

Responses from senior management persons were collected to examine the impact of digital marketing strategies on growth of pharma companies. Around 400 responses were collected and regression analysis was conducted. The results showed that there is significant influence of digital marketing strategies on growth of the companies. (Agrawal, Mandhanya, 2019)

Digital marketing is helping pharma companies to gain competitive advantage particularly in the over the counter medicine market in North Cyprus. Online survey conducted through 158 consumers of various pharma companies OTC medicines. It was revealed that consumers are well versed with the usages of OTC medicines in regular minor illness. Consumers feel that companies, the government and other stakeholders in the healthcare industry should make appropriate use of digital media to disseminate information about these OTC medicines and their safe and effective use. (Aghaei, Alarsali, 2022)

Research Methods

The structured questionnaire was developed by discussing with the experts in the area and through past literature review. The questionnaire consisted of 3 parts. First part was to understand perception related to Digital Marketing tools being used by companies and the second part was questions measuring the perception about the digital communication tools. Third part was demographic information. In all 12 question items were there in the questionnaire. The questionnaire was circulated through social networking sites to Medical representatives (MR) of the pharma companies. These MRs were selected using cluster sampling methods. Sampling frame for selecting these MR was a Social group on a professional networking website. The group comprised around 800 participants. These participants were from various cities of India. Therefore to make samples true representative of population clusters were formed of different cities. From various states 2 cities were selected and MRs from these cities were selected randomly. The questionnaire was sent to select MRs through the same networking website. Around 200 respondents were approached for filling the questionnaire. However 157 responses were received in completed forms. These responses were analysed in SPSS.

Data Analysis

Reliability of the scale

Cronbach's Alpha	N of Items
.823	12

Table 1– Reliability Statistics

Reliability statistics showed that the Cronbach’s Alpha is .823. According to; Tavakol and Dennick 2011, any Cronbach’s alpha value greater than 0.7 is an indication that the questionnaire is reliable. Therefore the scale is considered reliable.

Respondents’ profile

		Frequency	Per cent
Company	Indian origin	72	45.9
	Foreign Origin	85	54.1
	Total	157	100.0
Whether the use of Digital tools increased post pandemic?	Yes	105	66.9
	No	52	33.1
	Total	157	100.0
City of Respondents	Delhi & Gurugram	20	13%
	Mumbai & Pune	22	14%
	Kolkata & Asansol	23	15%
	Chennai & Coimbatore	21	13%
	Bangaluru & Mangaluru	24	15%
	Jaipur & Jodhpur	23	15%
	Ahmedabad & Surat	24	15%
	Total	157	100%

Table 2- Profile of the respondents

From the profile of the respondents it is understood that around 46% companies were of Indian Origin and rest were of foreign origin. As per 67% respondents, use of digital tools has increased after the Covid- 19 pandemic.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Social media management campaigns can be organized to increase awareness about the company's image and brand among general public and among healthcare professional.	157	1.00	5.00	3.5032	.97812
Digital marketing tools help in effective promotion of pharmaceutical products to health care professionals.	157	2.00	5.00	3.4076	.87673
Digital Marketing Tools help enable engagement with the health care professionals.	157	2.00	5.00	3.3949	.74900
Digital marketing tools help in dissemination of knowledge among doctors about scientific advancement in drugs/ medicines	157	2.00	5.00	3.1210	.89407
Digital Marketing Tools help to provide brand information	157	1.00	5.00	2.9745	1.21396
Overall Mean				3.2804	

Table 3- Descriptive Statistics- Effectiveness of Digital Marketing Tools

This subscale was rated on 5 point Likert's scale, where 1 meant Strongly Disagree and 5 meant Strongly Agree. In the above table the statements are arranged in descending order as per the mean received. The highest mean (3.5) for digital marketing tools was received for statements –‘Social media campaigns increased the awareness of a company's image’. Overall mean (3.28) value on 5 point Likert's Scale suggests that Digital Marketing Tools are being perceived as moderately useful by medical representatives.

	N	Minimum	Maximum	Mean	Std. Deviation
Digital communication tools facilitate scientific conversations to help health care professionals.	157	2.00	5.00	3.8662	.87042
Doctors are preferring digital modes of pharmaceutical marketing	157	2.00	5.00	3.6943	.82168
Digital platform enables Health care professionals to virtually connect with the pharmaceutical firm at their convenience and ease.	157	2.00	5.00	3.6815	.81680
Digital communication tools may replace conventional detailing in future.	157	2.00	5.00	3.5287	.78086
Overall Mean				3.6926	

Table 4 – Descriptive Statistics- Effectiveness of Digital Communication tools

This scale was also rated on 5 point Likert's Scale. Here 1 meant Strongly Disagree and 5 meant Strongly Agree. From this table it was observed that the overall mean of the scale (effectiveness of digital communication tools) is 3.69. This is a moderately high value on the 5 point scale.. In other words in Medical Representatives' perception digital communication tools are moderately effective.

Hypotheses testing

H₁- Indian origin Pharma-companies differ in the perceived effectiveness of digital marketing and Communication tools than International origin Pharma-companies

To test this hypothesis one way ANOVA was used.

In the factor tab of the ANOVA dialog box of SPSS, the origin of the company was inserted and in the dependent variable tab variable- effectiveness of digital marketing tool was inserted.

The result is shown here

		Sum of Squares	Df	Mean Square	F	Sig.
DM	Between Groups	13.782	1	13.782	67.162	.000
	Within Groups	31.807	155	.205		
	Total	45.589	156			
DC	Between Groups	18.872	1	18.872	120.067	.000
	Within Groups	24.362	155	.157		
	Total	43.234	156			

Table 5- One way ANOVA-Effectiveness of Digital Marketing (DM) and Digital Communication (DC) Tools

Significance values were observed to be less than ($p < .05$) 0.05. Therefore we failed to accept the null hypothesis-‘H₀- Indian origin Pharma companies do not differ in the perceived effectiveness of digital marketing (DM) and Communication (DC) tools than International origin Pharma companies’. Therefore we accept alternate hypothesis H₁. This indicated that there exists a significant difference in the means of the variables as per the origin of the company. In other words, perceived effectiveness of digital marketing and communication tools differ significantly among Indian and foreign companies.

Conclusion

The result analysis showed that the perceived effectiveness of Digital Communication Tools is greater than that of Digital Marketing Tools among both Indian and International companies. This indicated that in MR perspectives doctors are more open and comfortable for digital communication tools. In covid-19 pandemic era, communication was done digitally only. Since then the use of such tools has increased. However in MR perceptions use of digital marketing tools to impress doctors is moderately effective only. This may be because there are restrictions imposed on direct marketing of drugs to physicians and the common public. Particularly in Indian context MR feel that the relationship with Doctors can only be sustained through in person meeting with doctors in addition to digital communication. It was also found that there is significant difference in perceived effectiveness of Digital tools used for marketing and communications among Indian and foreign companies. Small sample size of the study makes it difficult to generalise the findings. Future studies may conduct a similar study with adequate sample size. Future studies may also investigate which companies are using digital tools more effectively.

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